Application number: 09/376381 **Art Unit:** 3628
Applicant: Khai Hee Kwan **Examiner:** Debra F Charles.
Title: Method, apparatus and program for pricing, transferring, buying, selling and exercising of freight cargo options on the World Wide Web.

REMARKS

Status of Claims as per Corrected Final Rejection Letter Faxed 15 July 2003 Mailing Date of 18 July 2003 herein " Letter ".

Claims 29-54 are rejected under 35 USC 112 First Paragraph.
Claims 32,39,40,42,43,52,53 are rejected under 35 USC 102(e) as being anticipated by Walker et al (6085169)
Claims 33-35, 47-49 and 51 are rejected under 35 102(e) as being anticipated by Walker et al (5797127A)
Claims 29-31 are rejected under 35 USC 103(a) as being unpatentable over Walker et al (5797127A), and Lei et al (6487552A) and Powers (5956691A)
Claims 36, 38, 41, 44, 45, 50, 54 are rejected under 35 USC 103(a) as being unpatentable over Walker et al (5797127A) and Walker et al (6085169A)
Claims 37 and 46 are objected.

Response to Advisory Letter's Section 5 .

The letter states "...the prior art indicated mirror the applicant's invention. And the newly added claim requires more research for consideration. "

We beg to disagree. While there is no specific legal definition for 'mirror', we assume the letter expressed this in terms of anticipation where we have previously submitted that our invention is for cargo facilities and its function is to provide cargo options, neither which are anticipated in Walker '127 (the prior art). In the same vein there is no evidence to show that the prior art can function similarly as ours in providing cargo option. Structurally, the prior art does not show any cargo system nor is it well known that a cargo system must necessarily exist in an airline system such that it is capable of offering cargo option, the subject matter of our invention.

Since option is commonly identifiable, this means the only difference lies between airline ticket, cargo system, airline system and cargo. Thus, the critical question here is whether an airline ticket can rely on minor or missing elements so recognized in the art to inherently reach our subject matter "cargo". The qualification to this factual finding is that the missing elements or functions must necessarily result from the prior art reference and are well-known. There is no factual evidence presented so far for this purpose.

We could not find any facts in Walker '127 to show this inherency nor can we find any person skilled in the art of airline ticketing to testify to this. Similarly, is it inherent that an airline system possess features found in a cargo system ? Even if it may have some

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similar features such as dates, route, CPU, RAM or ROM, ticket price and type of carriers, taken together would one skilled in the art see an airline system to inherently having features becoming a cargo system. Without such convincing factual findings from the final action letter, we can only submit that it cannot and therefore fails the prima facie anticipation test of each and all elements.

The Federal Circuit has stated: An anticipating reference must describe the patented subject matter with sufficient clarity and detail to establish that the subject matter existed and that its existence was recognized by persons of ordinary skill in the field of the invention. (ATD Corp V Lydall Inc, 159 F.3d 534, 48 USPQ 2d 1321, 1328 (Fed Cir 1998) (citing In re Spada, 911 F.2d 705, 15 USPQ 2d 1655, 1657 (Fed Cir 1990); Diversitech Corp V Century Steps, Inc.,850 F.2d 675, 678, 7 USPQ 2d 1315, 1317 (Fed Cir 1988). Our conclusion is that the prior art has not satisfied this "clarity and detail" standard explicitly and inherently as seen by those skilled in the art of airline ticketing.

Alternatively we submit that Walker '127 is not obvious.

The requirement for 103(a) obviousness rejection is one where there must be suggestion to combine the claimed features found in the supporting references. In short, any reference in the area of option must suggest combining with shipping or transport to reach our claims. It is not enough to have separate references cited and without them suggesting such combination. If the standard is merely having said references then Walker's 5797127 would not be patentable since the existence of airline ticket with a reference on options is readily available prior to said filing date. In fact, Walker's examiner had stressed the reason for allowance as " the prior art of record does not teach or suggest of combining the well known future contracts or stock options practice with the purchasing of airline tickets ." (Page 3 of Office Communication Mailed 4/14/98 for application 08 /775591). Similarly, we submit that none of the references nor prior arts to date show or teach option practice with purchasing of cargo facilities services in an exchange environment.

This "mirror" assumption appears to have identified the nature of the problem as the basis of obviousness rather than to consider the differences in the problem itself, each submitting to two different fields. As stated in In re Zurko, 111 F.3d 887, 42 USPQ2d 1476 (Fed. Cir. 1997), the nature of the problem cannot be used as motivation when the problem had not been previously identified anywhere in the prior art. The pertinent question is whether the problem of reserving cargo space has been identified in Walker '127 rather than the 'mirror' nature of reserving a seat on a plane.

Furthermore, defining the problem in terms of its solution reveals improper hindsight in the selection of the prior art relevant to obviousness. See, e.g., In re Antle, 444 F.2d 1168, 1171-72, 170 USPQ 285, 287-88 (CCPA 1971) (warning against selection of prior art with hindsight). By importing the ultimate solution into the problem facing the inventor, the examiner adopted an overly narrow view of the scope of the prior art. It also infected

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the examiner's determinations about the content of the prior art which is related to options for airline tickets only.

Therefore, we beg to disagree as there is no evidence to suggest that one ordinary skilled in the art of air line ticketing system would see the same problem as one in the cargo management system. It further ignores the technical, logistics and business considerations in the cargo system by limiting our claimed invention to airlines only. The cargo business is an integrated business encompassing many mode of transportation each with their own peculiarities depending on destination, type of cargo and dimensions.

Analogous Arts for obviousness rejection ?

In re Clay, 966 F.2d 656, 658 (Fed.Cir.1992) Courts consider two factors in determining whether prior art is analogous: "(1) whether the art is from the same field of endeavor, regardless of the problem addressed, and (2) if the reference is not within the field of the inventor's endeavor, whether the reference still is reasonably pertinent to the particular problem with which the inventor is involved." In re Clay, 966 F.2d at 658-59; In re Wood, 599 F.2d 1032, 1036, 202 U.S.P.Q. 171, 174 (CCPA 1979).

We submit that buying or selling cargo options in an exchange environment is not in the same field as in purchasing an option for an airline ticket given that both subject matters are different. The most obvious difference is that an airline ticket refers to a seat having fixed size and its designed for a human. Cargo on the other hand can be a live animal (horse), oil, coal, mail, satellite, frozen seafood, gold bullion, a Formula One car or even machinery parts, each having different sizes and weight hence reliance on the appropriate transporter. One would not be able to buy a seat or two to transport them on an aircraft. In fact, cargo transporter usually does not have seats and the fact that it flies does not necessarily make it a passenger aircraft. In Walker '127 is is stated in the disclosure at Col 1 line 8 and quoted here, " The present invention relates to the field of pricing and selling airline tickets. In Walker '169, it is also stated that the field of invention relates to selling goods such as airline tickets...to a customer who have submitted an offer for the purchase of such item." at Col 1 line 10-16.

Secondly, we have to ask what is the particular problem being solved here. The word "particular" is the key. The applicant's particular problem is to manage the freight fees by the cargo service provider (Specification Page 2 at line 10-11) and Walker's 127 is for passengers to lock in the low cost of ticket, to sell tickets. Nowhere in Walker '127 is it shown that such a problem faced by the applicant is present nor is Walker '127 working on such a problem as faced one skilled in the art of cargo management. In particular, our claims also show an exchange environment where cargo options are listed for sale (unentered amended claim 29) or where the cargo service provider can request for a cargo option from users (unentered amended claim 32).

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As the Federal Circuit pointed out in Re Zurko, " to say that the missing step comes from the nature of the problem to be solved begs the question because the Board has failed to show that this problem had been previously identified anywhere in the prior art ." In re Zurko, 111 F.3d 887, 42 USPQ 2d 1476, 1479 (Fed Cir), reh'g en banc granted, 116 F.3d 874 (Fed Cir 1997) ("Zurko I") (citing In re Sponnable, 405 F.2d 578, 585, 160 USPQ 237, 243 (CCPA 1969)("'[A] patentable invention may lie in the discovery of the source of a problem even though the remedy may be obvious once the source of the problem is identified.'")).

We submit that the most appropriate question to ask is whether one skilled in the art by reading Walker '127 is capable of seeing the problem of managing freight fees faced by the applicant ? If the answer is no then it is clear that the examiner has defined the problem in terms of its solution. In short, the examiner saw the solution to be parallel and made that as a basis to find similar art to show analogous. Orthopedic Equip. Co. v. United States, 702 F.2d 1005, 1012, 217 USPQ 193, 199 (Fed. Cir. 1983) ("It is wrong to use the patent in suit as a guide through the maze of prior art references, combining the right references in the right way so as to achieve [a desired result].").

In the case of Pro-Mold & Tool Co. v. Great Lakes Plastics, Inc., 75 F.3d 1568, 1573, 37 USPQ2d 1626, 1630 (Fed. Cir. 1996), citing In re Rinehart, 531 F.2d 1048, 1054, 189 USPQ 143, 149 (CCPA 1976) the issue of considering the problem to be solved in a determination of obviousness was discussed. In this case, the reason to combine arose from the very nature of the subject matter involved, the size of the card intended to be enclosed. The suggestion or motivation to combine these features of the prior art was thus evident from the very size of the card itself. Card holders larger than the card had already been designed. On the other hand, a card holder no larger than necessary clearly was desirable in order to enable the card holders to fit in a set box. It would also avoid having the cards bang around in a holder larger than needed.

We distinguished from Pro-Mold. As said, the prior arts in the said case show all the features and arose from the very nature of the subject matter which is the size of the card to be enclosed. In this application, the very nature of the subject matter being the cargo option is not self evident from managing cargo space fees or from Walker's 127 articulation of airline tickets. We start from the self-evident proposition that mankind, in particular, inventors, strive to improve that which already exists but nowhere is cargo option is shown to have existed prior to this application.

No current solution exist to our problem has been evidenced to date by the examiner whereby one skilled in the art can improve on to reveal the subject matter in our claimed invention. In Pro-Mold, larger card holders have been designed enabling said design to reveal the nature of the problem itself. Without this 'starting' point, we therefore submit our case to be distinguishable from Pro-Mold.

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In Walker's 127, the closest prior art evidenced airline tickets option but the teaching does not reveal the nature of this applicant's problem whereby one skilled in the art will see the desirability to modify it to cargo option nor does cargo option serves any benefit for selling airline tickets.

As to the second part "And the newly added claim requires more research for consideration." , we also object to this as the unentered amended claim were redrafted to show the subject matter as per objection to Claim 37 and 46. In short, we have confined our amendments to the requirements of the said objection by making it an independent Claim. We are unsure why this could lead to further research & consideration. In amending, we have only move the claim numbering from 46 to 39 so that the dependent claims are better reflected in a running order.

Given the above and our previously submitted reply after final action, we respectfully ask the examiner to reconsider our application again.

Declaration 37 CFR 1.132

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of any application, any patent issuing thereon, or any patent to which this verified statement is directed. My signature and address is as follows:

Yours truly,

Khai Hee KWAN
18 Sept 2003

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Marked Version of Claims

Appendix 1

Claims 29-55 are as our previously unentered amendments filed after final action mailed 2 August 2003.

Please further add

56. (NEW) A method for cargo service provider to electronically offer a cargo option, the method comprising the steps of:

receiving shipping information from a user;

querying at least one carrier cargo system based on user's input;

if accepted by cargo system response with cargo pricing information;

in response to cargo pricing information, calculating the cargo option price that gives the user the contractual right but not obligation to secure within a future period said period equal or less to the period before the selected departure date, the underlying cargo shipping services for a particular route, for a particular service which satisfied the user's shipping information and the cargo pricing information provided by corresponding cargo system;

outputting cargo option price to the user and update the database where said priced cargo option is available for predetermined period to other users if not selected by first user; and

whereby cargo shipping services is by air, rail, sea or space transporters.

57. (NEW) A system for cargo service provider to electronically offer a cargo option, the said system consisting at least one cargo system linked to a network implementing the method of claim 56.